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The Resources and Trade of Central America

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The Resources and Trade of Central America

A. RANDLE ELLIOTT

THE increasing likelihood of eventual American involvement in the European war, which has spurred the reinforcement of Western Hemisphere defense, has given the United States an enlarged stake in Central America. Owing to the critical repercussions of the European war on the Western Hemisphere, the Administration in Washington has recognized the urgency of assuring political stability in all the American republics. The maintenance of political order, in turn, depends to a great extent on preserving economic stability, and Secretary of State Cordell Hull has declared that "it is to the mutual interest of the United States and of the Central American countries to take all practical measures to maintain the economic structures in Central America."[1]

The six republics of Central America[2] have long been handicapped by their small size and relatively insignificant share of the world's production and trade.[3] They have frequently been unable to obtain financial and technical assistance in developing their natural resources, because their potential volume of production does not equal that of other regions; and lacking bargaining power in international markets, they have generally been forced to accept whatever commercial terms the larger trading nations were inclined to offer. The strategic position and economic resources of Central America, however, have necessitated a reëvaluation of the region in terms of the totalitarian challenge to the military security and economic well-being of the Western Hemisphere.

Strategically situated within easy bombing range of the Panama Canal, each of the Central American republics has a direct bearing on United States plans to protect that essential waterway, regarded by many authorities as the keystone of hemisphere defense. The Canal is virtually safe against attack by sea or land,[4] but it is not invulnerable to sabotage or surprise air raids which might render it useless for one or two months until repairs could be made.[5] To strengthen the Canal defense system, United States Army authorities are particularly eager to provide against any possible hostile use of airfields in the American republics within 1,000 miles of the Canal Zone, and have pointed out the military value which the United States would derive from the use of friendly fields in that region. Airports outside the narrow Canal Zone are needed to facilitate the interception of any hostile aircraft, and to disperse the Canal's defending air force so as to avoid congestion at existing fields during an attack. Auxiliary airports in the Central American republics would also insure the rapid transit of military personnel and supplies from the United States.

It is practicable to ship only limited amounts of fairly light and urgently needed supplies and equipment by air, but construction of an all-weather road through the Central American republics would make possible the rapid transportation of a great volume of supplies and many troops by land. Partially in recognition of this fact, Congress is now considering the appropriation of $20,000,000 "to enable the United States to cooperate... with the Governments of the Republics of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama in the survey and construction of the proposed Inter-American Highway within

1. Report to the President, April 28, 1941; U.S., 77th Congress, 1st Session, "Message from The President of the United States Transmitting a Report of the Secretary of State and a Draft of Proposed Legislation . . . [on] the Proposed Inter-American Highway," *House Document No. 197*, pp. 2-3.

2. For convenience of treatment, this report includes Panama in the group of Central American countries, although historically only the five countries of Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica have been correctly termed "Central America."

3. The Central American countries together cover only about 215,000 square miles, and at present include less than 8,000,000 inhabitants—an area and population roughly equal to those of the states of Missouri, Kansas and Nebraska combined. Much of the surface of Central America, moreover, consists of mountainous terrain which has impaired the development of communications, while the backwardness of native peoples has hampered industrial and commercial progress.

4. For a more detailed discussion of Canal Zone defense, see A. R. Elliott, "U.S. Strategic Bases in the Atlantic," *Foreign Policy Reports*, January 15, 1941, pp. 266-67.

5. Statement of General George C. Marshall, Chief of Staff, U.S. Army; U.S., 76th Congress, 3d Session, *Hearings before the Senate Subcommittee of the Committee on Appropriations on H.R. 10263* (Washington, Government Printing Office, 1940), p. 242.

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the borders of these republics."[6] The United States government, at various times since 1930, has already appropriated sums totaling $1,209,000 and authorized loans totaling $6,600,000 for this project.[7] Although the War and Navy Departments believe that a through road from the United States to the Canal would materially strengthen the defense of the Caribbean area, Secretary Hull has indicated that economic considerations outweighed military factors in prompting moves to complete the highway at this time.[8] Improved transportation in the Central American countries would encourage the development of inaccessible areas and additional resources, and would reduce the Canal Zone's dependence on continued imports of perishable foods from the United States.

The economy of Central America is primarily agricultural. There are practically no heavy industries in any of the six countries, which are entirely dependent on imports for their requirements of iron and coal; and the small consumer industries are devoted almost exclusively to the processing of native foodstuffs or to the manufacture of commodities for local use from domestic agricultural products. The only minerals at present exploited in Central America are gold and silver, predominantly in Nicaragua and Honduras, and small amounts of a few others such as chromium in Guatemala and manganese in Costa Rica. No adequate geological surveys have been made of Central America, however, and valuable mineral deposits may yet be disclosed.

Central America's climate and topography have made possible a great variety of agricultural products. The region is situated entirely in the tropics, and its economy is built around a few tropical "money" crops—chiefly coffee and bananas—which are complementary to the agricultural output of the United States, and which customarily find a ready market in this country. Yet on the heavily forested slopes of the Central American mountain range, many fields have been cleared and are given over to the production of staple foodstuffs, including such temperate-zone crops as corn, beans and wheat. In general, Central America is characterized by three climatic zones. First, there are the coastal plains, where the climate is hot and humid, the rainfall very heavy, and the vegetation luxuriant. Extending up to about 2,500 or 3,000 feet above sea level, these rich lowlands are well suited to bananas, rice, cacao, sugar cane, palms, tropical fruits and rubber. The second climatic zone consists of the inland regions, rising from 2,500 to about 6,000 feet. Its fertile plateaus and valleys enjoy more agreeable temperatures with moderate rainfall, and produce coffee, corn, beans and temperate-zone fruits. Finally, the highlands, with a mild and often cool climate, are given over to raising wheat, potatoes and livestock.[9]

6. S. 1544, passed by the Senate on May 26, 1941, and referred to the House Committee on Foreign Affairs the following day.

7. For a detailed listing of appropriations, see *The Department of State Bulletin*, May 10, 1941, p. 558.

8. *House Document No. 197*, cited, p. 3.

MAJOR AGRICULTURAL EXPORTS

Coffee is the leading export commodity of Central America, and ranks as the first commercial crop in each country except Panama and Honduras, where bananas lead.[10] The six small republics contribute 7 per cent[11] of the world's supply, but Central American coffee is important for its quality rather than volume. Known for its flavor and mildness, it is widely used for blending the strong Brazilian grades. On the inland plateaus from Guatemala to Panama, both soil and climate are almost ideal for raising the finest of mild coffees; rich loams are reinforced with volcanic ash, while rain is uniform and harvest seasons are long. There is, moreover, an adequate supply of the hand labor required throughout the year on coffee plantations.

These factors have contributed toward a rapidly expanding coffee industry in the six republics, despite the serious economic dangers of too heavy reliance on a single export crop which is often subject to extreme price fluctuations on the world market. The key rôle of coffee in Central America may be appreciated from the fact that in normal times it provides Salvador with approximately 90 per cent of the value of its exports, Guatemala 60 per cent, Costa Rica 50 per cent, and Nicaragua 35 per cent. Although it represents less than 3 per cent of the exports of Honduras, and Panama grows barely enough to meet domestic needs, the output of both countries has been steadily rising.

While coffee contributes about half the total value of Central American exports, *bananas* account for more than one-fourth.[12] Until several

9. For descriptive accounts of Central American geography and its effects on the economic life of the region, see *The South American Handbook, 1941* (New York, Wilson, 1941); and U.S. Department of Commerce, *Commercial Travelers' Guide to Latin America*, Part III: "Mexico, Central America and Caribbean Countries" (Washington, Government Printing Office, 1940).

10. In 1939 and subsequent years, gold has displaced coffee as the leading export commodity of Nicaragua.

11. For statistics on coffee production of all countries, see League of Nations, *Statistical Year-Book 1939-1940* (Geneva, League of Nations, 1940), p. 102.

12. Since bananas are produced almost entirely by foreign capital, the Central American countries enjoy only a relatively small part of the net return from this commodity. In the past few years, however, substantial investments in new banana lands on the Pacific coast have greatly helped to bolster the exchange position and general economic structure of several Central American countries.

years ago, bananas regularly constituted about a third of total Central American exports, but the destructive Panama and sigatoka (or leaf-spot) diseases have made costly inroads on plantations all along the Caribbean coast. The two large United States banana-exporting companies of Central America — United Fruit Co. and Standard Fruit and Steamship Co.—have begun to shift operations to the Pacific littoral, and some of the extensive transportation and other specialized operating facilities required for large-scale banana production are now ready for use in the West. The transfer to the Pacific side promises to contribute much to Central American prosperity, since Atlantic-coast soil that was rapidly being deprived of nutriment for banana plants can now be utilized to produce hemisphere deficiency crops which will find a ready market in the United States. The Pacific lowlands, moreover, have already proved their excellence for bananas, and current developments there will extend communications and transportation systems which are expected to contribute much toward opening new regions with an economic future.

Banana plants—or "trees" as they are popularly called—grow best in the fine sandy loam of Central America's coastal lowlands. There the tropical days are hot and nights humid, and the heavy annual rainfall of from 80 to 200 inches provides the required abundance of moisture.[13] Thus favored by nature for the production of tropical fruits, the five Atlantic coast countries of Central America turn out about 30 per cent of all bananas entering international trade.[14] In 1940 the United States, which is the world's largest importer and takes over half the total of world exports of bananas, obtained 58.2 per cent of its needs from those five republics.[15]

In trade value, *cacao* ranks after coffee and bananas among United States imports of complementary, or noncompetitive, edible agricultural products.[16] This country absorbs almost 40 per cent of the world supply, and obtains over half of its requirements from West Africa. No other raw material can be substituted for cacao in the manufacture of chocolate, cocoa and cocoa butter—all popular food items. Costa Rica and Panama are the only significant Central American exporters of cacao, although Nicaragua and Guatemala each produce about a million pounds annually, and a small industry exists in Honduras and El Salvador. Since the Western Hemisphere at present does not produce enough cacao to satisfy its own needs, the Central American governments are encouraging production of the crop.[17] It has expanded rapidly in Costa Rica and Panama during the last decade, chiefly through extensive cultivation on abandoned banana plantations. In the bumper year 1937 cacao represented 18.7 per cent of Panama's exports

EXPORTS OF LEADING CENTRAL AMERICAN AGRICULTURAL COMMODITIES[1]

Commodities and Countries	1937[2] Quantity *thousands of pounds*	1937[2] Value *thousands of U.S. dollars*	1938[3] Quantity *thousands of pounds*	1938[3] Value *thousands of U.S. dollars*	Per cent[4] of Total Exports (all commodities)	Percentage[4] share of each country in trade
COFFEE						
El Salvador	149,071	14,125	118,617	9,512	91.0	41.3
Guatemala	103,891	10,525	108,069	10,090	65.3	30.8
Costa Rica	58,466	6,106	55,073	4,938	53.1	17.8
Nicaragua	34,808	3,078	31,439	2,031	43.7	9.0
Honduras	5,427	378	2,610	164	3.9	1.1
Central America	351,663	34,212	315,808	26,732	53.6	100.0
BANANAS						
Honduras	707,500	6,299	470,850	4,226	65.3	36.6
Guatemala	436,350	4,302	468,850	4,748	26.7	25.0
Costa Rica	301,400	3,050	275,450	2,807	26.5	17.7
Panama	291,900	2,578	320,000	2,755	63.3	15.0
Nicaragua	109,000	985	86,000	777	14.0	5.7
Central America	1,846,150	17,214	1,621,150	15,313	26.9	100.0
CACAO						
Costa Rica	16,106	1,342	12,198	830	11.7	60.5
Panama	12,637	759	8,909	442	18.7	34.2
Nicaragua	1,051	117	1,269	83	1.7	5.3
Central America	29,794	2,218	22,376	1,355	3.5	100.0

1. Computed from data compiled by the United States Tariff Commission.
2. Honduran statistics are for the fiscal year ending July 31.
3. Honduran statistics are for 11 months only, because in 1938 Honduras changed its fiscal year to end June 30.
4. Based on 1937 statistics.

13. Pan American Union, "The Story of the Banana," *Commodities of Commerce Series*, No. 2 (1939), pp. 3-14.

14. For statistics on exports of bananas by the principal producing countries, see U.S. Tariff Commission, *The Foreign Trade of Latin America*, Part III: "Selected Latin American Export Commodities" (Washington, 1940), vol. I, pp. 15 ff.

15. U.S. Department of Agriculture, "United States Banana Imports," *Foreign Crops and Markets*, March 31, 1941, p. 446. Honduras was the principal source of supply, accounting for 28 per cent of total United States imports. Guatemala, with 16 per cent, ranked second, while Panama was fourth and Costa Rica seventh among all the supplying countries.

16. B. C. Merdian, "World Cacao Production and Trade," *Foreign Agriculture*, February 1941, p. 33.

17. *La Voz del Atlántico* (Limón, Costa Rica), June 28, 1941; "Guatemala's Economy: The 1940 Picture Foreshadows Coming Trends," *Foreign Commerce Weekly*, May 24, 1941, p. 326.

(value basis), and 11.7 per cent of Costa Rica's.[18] Most of the cacao produced in Central America is of fine quality, and the soil, climate and growing conditions are generally favorable for increasing its output. The importance of coffee, bananas and cacao to Central America may be seen in the table on page 152, embracing the last two complete years before the war.

OTHER AGRICULTURAL RESOURCES

The value of other agricultural exports is relatively slight, but many of the commodities are significant because of their uses and the possibilities of their further exploitation in Central America. This is particularly true of the region's innumerable forest products, some of which cannot be obtained any other place in the world. El Salvador, for example, is the only known source for the misnamed *balsam of Peru,* used for antiseptic medicines and fine perfumes. Production has shrunk considerably in recent years, but along the "Balsam Coast" of western Salvador there are still about 50,000 trees under exploitation, turning out from 300,000 to 500,000 pounds of crude balsam a year. In 1940 exports of purified balsam totaled 256,792 pounds, valued at $139,894.[19] *Chicle* is another Central American "romantic" crop, obtained only from the wilds of northern Guatemala, British Honduras and Mexico. It is used in the manufacture of surgical tapes and dental supplies, although by far its most important commercial use is as an adhesive base in chewing gum. In the period 1937-39 Guatemala sold an average of $524,869 worth of chicle to the United States per year, or 14.8 per cent of this country's imports.

Sprawling forests of native *hardwoods* once provided the Central American countries with large portions of their revenues, and today they are still a latent source of considerable natural wealth. The new demand for tropical fancy hardwoods for interior decorations has recently interested United States capital in developing some of these areas, such as the heavily wooded hills of Veraguas and Chiriquí Provinces in Panama.[20] Some of the world's finest stands of mahogany, cedar, rosewood, primavera (white mahogany) and other cabinet woods are to be found in the interiors of the Central American republics. Most of the accessible trees have been cleared, however, and the improvement of transportation systems in the region is a prerequisite to profitable logging in the rich forests away from the coasts. Valuable heavy woods like cocobolo and guayacán (lignum vitae)—used for knife handles, bearings and propeller shafts—are exploited, but the present scale of operations is small.

A recent Central American forestal trend is toward the cultivation of several trees with special properties useful for aviation and naval purposes. *Balsa,* twice as light as cork but strong, is largely employed for floats, refrigerator insulation and airplane construction. It is already being exported in small quantities from Costa Rica, and because of the tree's extremely rapid growth its output can be increased substantially in only a few years. The ceiba tree is receiving wide attention in Central America as the source of *kapok,* or "tree cotton," for which a growing demand is anticipated in connection with the United States rearmament program. Kapok has a buoyancy greater than cork and is resilient and water-resistant; it is used in making life preservers, sleeping bags and insulation materials. During the years 1937-39 the United States imported an annual average of 9,114 tons of kapok valued at $2,474,000, less than 5 per cent of which came from Latin America.[21] At present, however, the commercial exploitation of kapok is being planned in several of the Central American republics, and one United States company already has between 200,000 and 300,000 ceiba trees under constant supervision in Guatemala and El Salvador.

Natural dyes are obtained from a great number of Central American trees and plants. One of the most valuable coloring principles, haematoxylon, for black or blue dying of fine woolens, cottons, silks and leather, is obtained from Central American logwood. Brazilwood—used also in cabinet making—produces red and purple dyes. Fustic is commonly applied in yellow artwork. Many local plant and animal dyes are widely used by Indians in their native handicrafts, and some of them—notably indigo (or anil) and cochineal—once enjoyed a lucrative export market. The synthetic production of these dyes, however, especially in Germany, has now displaced the natural products for industrial uses. Tropical American *tanning materials* have become increasingly important for the United States leather industry, owing to the rapid extinction of native chestnut trees by a highly contagious blight which struck this country shortly after the World War. Of 143 Latin American sources of

18. U.S. Tariff Commission, *The Foreign Trade of Latin America,* Part II: "Commercial Policies and Trade Relations of Individual Latin American Countries" (Washington, 1941), Sec. 16 (Panama), p. 22; Sec. 11 (Costa Rica), p. 20.

19. El Salvador, Oficina del Representante Fiscal del Empréstito, *Cuadro Ponderal de los Productos Exportados durante el Año de 1940* (San Salvador, January 1941); El Salvador, Dirección General de Estadística, *Anuario Estadístico Correspondiente al Año de 1937* (San Salvador, Imprenta Nacional, 1940), p. 21; *ibid.,* 1936, p. 17.

20. *South American Handbook, 1941,* cited, p. 469.

21. J. L. Apodaca, "Agriculture's Role in Hemisphere Defense," *Foreign Agriculture,* March 1941, p. 89.

vegetable tannin listed by the United States Department of Commerce, many grow wild in Central America.[22] Mangrove extract, widely used for curing heavy leather in the United States, is customarily imported from Portuguese East Africa. Mangrove is one of the commonest tropical growths of Central America, however, and transatlantic shipping difficulties may soon make the exploitation of these nearer sources more profitable.

The value of *medicinal plants* is not an impressive figure in Central American export tables, but some of our vital remedies depend on continued imports of such items as ipecac, a specific for treating amoebic dysentery, and copaiba, much used in affections of the mucous membranes. Ipecacuanha roots are obtained from Nicaragua, Honduras, Costa Rica and Panama, while Panama is also a source for copaiba. Sarsaparilla from Honduras has been known as a tonic for over 400 years, and the Costa Rican variety of the same plant is used for standard preparations in British pharmacology.[23] Many other Central American plants, like cedron and copalche, are prized locally for their medicinal properties, and will bear further study by tropical agriculturalists. Since the outbreak of the war in Europe, efforts have been made to develop Western Hemisphere supplies of cinchona bark, the source of *quinine,* most effective medicine for treating malaria. In recent years annual shipments of quinine to the United States have averaged 1,738,431 pounds, valued at $735,411, some 98 per cent of which has come from the Netherlands Indies. To relieve American dependence on overseas supplies of this vital commodity, the United States Department of Agriculture has aided in the establishment of several cinchona nurseries in Guatemala, where commercial plantings of the tree have already been made. While it is still too early to judge the real value of these efforts, considerable success has been indicated. Another noteworthy enterprise is under way in Honduras, where one company is growing 4,000 cinchona trees in the rich agricultural district of Olancho.

Two other Central American experimental crops deserve mention because of their strategic value to the United States: rubber and abacá. *Rubber* is endemic in tropical America, but the wild rubber exploited in this hemisphere has not been able to compete commercially with the plantation product of the Far East. The development of rubber plantations in Central America has heretofore been impeded by two problems which are now on the verge of solution—the higher wages required in the New World, and the prevalence of the destructive South American leaf disease.[24] The Goodyear Company has held 20-year rubber concessions in Panama since 1935 and in Costa Rica since 1936. Successful experiments at its initial plantation, near Gatun Lake in Panama, have brought forth projects for the development of extensive rubber lands in that republic, chiefly on the Atlantic coast.[25] In Costa Rica Goodyear made a direct assault on the leaf disease by reopening an old rubber estate which had been closed because of the disease years before. Of 36,000 trees originally planted on the Costa Rica tract, 3,600 had survived the epidemic and acquired a degree of resistance to the blight. Seedlings from these trees were bud-grafted with high-yielding trees from the Far East, to create a highly productive, disease-resistant strain which might prosper in Central America. This preliminary work was carried several steps forward after June 22, 1940, when the United States Congress appropriated $500,000 to promote rubber production in the Western Hemisphere. During the next few months experts from the Bureau of Plant Industry of the Department of Agriculture visited Central America and surveyed, in cooperation with local officials, areas of potential value for growing rubber. They were impressed with the possibilities of several districts, particularly on the western coast of Guatemala and the Caribbean coasts of Honduras and Costa Rica. A central experiment station for the entire project is being established near Turrialba, Costa Rica, and a central nursery is located in Honduras. The first large order of seedlings arrived in Honduras in November 1940, and the young trees are now growing vigorously.[26]

While *abacá* (manila hemp) has not been given such an auspicious start as rubber, about 2,200 acres of abandoned banana lands in western Panama have been turned over to experimental growings of this valuable hard fiber. Abacá is peculiarly resistant to salt water, and to date no substitute has been found to replace it for the many ropes and cables required by our navy and merchant marine. The chief handicap to production of abacá in the Western Hemisphere is apparently the high cost of cleaning the fiber—which is hand-cleaned by low-paid labor in the Philippines, the West Indies and Africa. This obstacle, however, would be overcome

22. T. H. Norton, *Tanning Materials of Latin America* (Washington, U.S. Department of Commerce, 1933), pp. 1-19; Otto Wilson, "Tanning Materials of Latin America," *Commodities of Commerce Series,* No. 6 (Washington, Pan American Union, 1937), p. 6.

23. *South American Handbook, 1936* (London, Trade and Travel Publications, 1936), p. 542.

24. J. J. Blandin, "Why Rubber Is Coming Home," *Agriculture in the Americas,* May 1941, pp. 4-10.

25. Pan American Union, "Rubber," *Commodities of Commerce Series,* No. 15 (Washington, 1938), p. 21.

26. E. W. Brandes, "Rubber on the Rebound—East to West," *Agriculture in the Americas,* April 1941, pp. 2-9; P. L. Green, "Colorful Guatemala," *ibid.,* July 1941, p. 14.

with the perfection of fiber-cleaning machinery.[27] Although commercial production of abacá, as well as rubber, in the Western Hemisphere will require a number of years, tropical American sisal and *henequen* can be used for many industrial and agricultural needs for hard fibers in the United States. Only 42 per cent of this country's sisal and henequen normally comes from Latin America, and the existing henequen plantations in the drylands of El Salvador and Guatemala may soon be expected to increase their output of this useful hemisphere deficit product.

Certain *vegetable fats, oils* and *waxes* should be included in a survey of the actual and potential economic resources of Central America. Coconuts, a leading source of vegetable fat, imported from the Far East in great quantities by the United States, are a prominent staple of the San Blas Islands of Panama and the Bay Islands of Honduras. Although production has been decreasing each year, coconuts still account for approximately 2 per cent of the total exports of those countries, and are exported in smaller amounts from Nicaragua. Cohune nuts, product of a palm which is extremely plentiful throughout Central America, yield a kernel oil much like that of the coconut and similarly used for making fine soaps, butter substitutes and pharmaceuticals. The cohune palm has been exploited on a small scale in all the Central American republics, and proposals for making it the basis of a profitable Central American industry are now widely discussed. The castor-oil plant—source of medicines, lubricants and invaluable drying oils for paints and varnishes—also grows freely throughout the region. Until about five years ago, castor oil was of little commercial use, but vast amounts of it are now converted into a drying oil by improved processes of dehydration. Guatemala, Costa Rica and El Salvador have been increasing their exports of honey to the United States and now appear as prospective sources of beeswax, which is not produced in sufficient quantities in this country. Candelilla wax, obtained from a common shrub in the semi-arid regions of Mexico and Central America, is used as a substitute for beeswax in making varnishes, phonograph records and electrical insulation. Many other trees, plants and grasses now growing wild in the six Central American republics offer possibilities of commercial development, to supply United States needs for industrial oils and waxes.[28]

One of the most promising categories of Central American resources is that of *tropical fruits*. There is little reason why some of the myriad delicacies in this group should not be popularized in temperate zones just as bananas have been. The avocado and the papaya—now grown in Florida and California—already seem assured of a permanent place in United States markets, and as other Central American favorites become widely known a growing demand for them may be anticipated.[29] It should be noted that United States quarantine laws bar imports of certain tropical fruits in order to prevent infiltration of insect enemies; but no canned juices and pulps are included in the regulations, and they might find an immediate market in this country.

The effective operation of Central American economy—built primarily around a few tropical agricultural exports—depends largely on the availability of low-cost *subsistence crops* to support plantation workers. These crops consist chiefly of corn, beans, rice and wheat. They are harvested from one to three times a year, depending on the altitude in which they are grown. While complete production statistics are not available for the leading staples, an indication of their importance to the Central American peoples may be seen in the fact that the total acreage under local food crops greatly exceeds the acreage producing bananas and coffee. Even in the "coffee republic" of El Salvador, for example, the area under corn alone is usually about 50 per cent more than that given over to coffee.[30] Sugar is also raised for local consumption in each of the six republics, and small amounts are exported from El Salvador, Guatemala, Nicaragua and Costa Rica.[31] A good share of local food needs, especially for the middle and upper classes of the population, is provided by the region's *pastoral products*. All of the Central American countries raise livestock for meat and cattle for dairying, and most of them enjoy a small export trade in live animals, hides and skins.[32] A large share of Pan-

27. Apodaca, "Agriculture's Role in Hemisphere Defense," cited, p. 91.

28. Some of the more common Central American oleaginous and waxy plants are discussed in C. M. Wilson, *Central America: Challenge and Opportunity* (New York, Holt, 1941), pp. 217-21, 262-65.

29. For a discussion of tropical American fruits, see Wilson Popenoe, "American Ambrosia," *Agriculture in the Americas*, July 1941, pp. 1-6, 15.

30. A. J. Hill, "Economic and Commercial Conditions in the Republic of El Salvador," *Department of Overseas Trade Reports*, No. 720 (London, H.M. Stationery Office, 1939), p. 8.

31. Sugar exports for 1940: El Salvador, $210,575; Guatemala, $960; Nicaragua, $400 (re-exports). Until 1940, Nicaraguan sugar exports exceeded those of Guatemala, but in that year Nicaragua's imports of this commodity surpassed its exports by $42,543. (All figures obtained from official sources of the Central American governments.) Practically all of the Salvadoran exports go to Honduras, which does not meet its own needs.

32. The exports of livestock are generally from one Central American country to another, as in the case of Nicaraguan cattle brought each year to Costa Rica for fattening in the Province of Guanacaste, from which some of them are subsequently re-exported to Nicaragua and Panama. Costa Rica, *Informe de la Dirección General de Estadística, Año 1938* (San José, Imprenta Nacional, 1939), p. 17.

ama's meat is consumed in the Canal Zone and constitutes an invaluable food supply for that strategic defense outpost.[33] The expansion of livestock industries and the extended cultivation of fruits and vegetables in Panama and Costa Rica—and in all Central America after land transportation to the Canal Zone is improved—would solve an outstanding problem of provisioning the United States military and civilian forces at the Canal.

MINERAL RESOURCES

Many minerals are known to exist in Central America, but in most cases their extent has not been fully ascertained, and too few samples have been analyzed to permit positive judgment on the qualities of their ores. The high costs of transportation in Central America, and until recently political instability in several of the republics, have discouraged foreign mining companies from seeking concessions; and with few exceptions, sufficient local capital has not been available.

Gold is produced by each of the Central American countries, and now contributes about 5 per cent of their total export values. During the past decade, first the depression and then the war made markets for tropical agricultural products particularly unstable, although ever since 1933 the United

PRODUCTION OF GOLD[1]
in fine ounces[2]

Country	*1936*	*1937*	*1938*	*1939*	*1940*
Nicaragua	23,077	24,242	44,301	100,182	164,355
Honduras	20,966	24,170	21,879	27,000[3]	23,000[3]
El Salvador[4]	15,071	15,310	12,065	16,424	51,195
Costa Rica	12,625	16,920	17,994	13,261	..........[5]
Guatemala	1,824	4,180	5,446	5,058	4,447
Panama	12,651	5,098	4,867	2,736	..........[5]

1. Source: U.S. Department of the Interior, Bureau of Mines, *Minerals Yearbook, 1941* (Washington, Government Printing Office, 1941), p. 66.
2. Values may be determined at the rate of $35 per ounce, the United States purchase price for gold.
3. Approximate.
4. Imports into United States.
5. Data not available.

States has continued to buy gold at an arbitrary price well above the former market value. Under these conditions it has became increasingly profitable for Central America to operate its mines despite high production costs. The rising importance of gold is strikingly illustrated by the trade statistics of Nicaragua, whose gold exports steadily rose from $382,189 in 1932 to $5,757,998 in 1940 and $1,616,473 for the first three months of 1941.[34] Similarly Honduras, second largest Central American producer of gold, increased its exports from $4,220 in the fiscal year 1932-33 to $777,574 in 1938-39.[35]

Silver, produced commercially in Honduras, Nicaragua, Guatemala and El Salvador, represents 2.5 per cent of Central America's total exports. In Honduras, however, silver ranks second only to bananas and accounts for almost 17 per cent of Honduran exports ($1,674,700 in 1938-39). The famous Rosario mine at San Juancito—20 miles from the capital city, Tegucigalpa—has yielded more than $58,000,000 worth of ores since 1882.[36]

Other metals produced in Central America include *chromium* and *manganese,* both of which are listed as strategic materials by the United States Army and Navy Munitions Board. In general the Central American ores of both metals, however, are of low grade, and production is exceedingly small in comparison with United States needs. Guatemala produced 477 metric tons of chromite in 1938 and 599 tons in 1939, although the output dropped to 88 tons in 1940 when the owners of several leading mines suspended operations.[37] In Costa Rica 100 metric tons of manganese ore were produced in 1937, and 304 tons in 1938.[38] Extensive manganese deposits in Panama and Honduras have been reported, but their inaccessibility and low metal content has prevented exploitation under prevailing conditions. *Lead, copper, mercury* and *sulphur* have all been worked on a small scale in Central America. Most of the countries produce *salt* for local use. Many other minerals are known to occur in Central America—notably iron, antimony, tin, asbestos and marble—but their development would be uneconomic at present.

INDUSTRIALIZATION AND DOMESTIC COMMERCE

Lacking an adequate mineral base for producer industries, Central America has been destined to obtain the bulk of its heavy manufactures abroad. Until recent years, moreover, there has been no real effort to set up even small industrial enterprises based on raw materials which are provided locally. The industrialization of Central America has been retarded by the region's scant population, low purchasing power, dearth of local capital, and in some cases the leisurely habits of native peoples.[39] Soon after the World War, a few important indus-

33. In 1938, fresh beef ranked third (4.9 per cent) among Panama's exports, and cattle and hides sixth (1.4 per cent). U.S. Tariff Commission, *The Foreign Trade of Latin America,* Part II, Sec. 16, cited, pp. 7-22.

34. República de Nicaragua, *Memoria del Recaudador General de Aduanas y Alta Comisión por 1939* (Managua, 1940), pp. 102-103; *ibid., 1940* (Managua, 1941), p. 37; 1941 statistics provided by Irving A. Lindberg, Recaudador General de Aduanas. A substantial part of the gold exported from Nicaragua is owned by Canadian and United States companies, and hence only a portion of the total proceeds returns to Central America.

35. *Guía de Honduras Ilustrada, 1940-41* (Buenos Aires, River Plate Tourist Publishing Co., 1940), pp. 257-58.

36. *Ibid.*

37. U.S. Department of Commerce, "Economic Conditions in Guatemala in 1940," *International Reference Service,* vol. I, no. 16 (April 1941), p. 5. In 1939 Guatemala exported 1,933 metric tons of crude chromite to the United States. *Minerals Yearbook, 1941,* cited, p. 593.

38. *Minerals Yearbook, 1940,* p. 587.

tries were improved in the several countries—chiefly sugar refining and the manufacture of alcoholic beverages, leather goods, textiles, soap, furniture, bricks and tile for roofing and flooring. Simple methods of production and distribution have characterized most of the establishments, however, and until a decade ago little initiative was displayed in expanding the output of "factories" or in reaching new markets more than a few miles away.

A number of consumer industries have appeared in Central America since 1929, primarily because the lack of necessary foreign exchange has curtailed imports of goods formerly obtained abroad. Small cigarette factories, bottling plants, candle factories, flour mills and textile factories have sprung up in every republic, but household industries and small shops still constitute the big majority of Central American industrial undertakings. Most of the raw materials and practically all of the machinery used in Central American manufactures are imported—chiefly from the United States, and recently from Mexico. There is a definite trend, however, toward utilizing more native raw materials; and a new factory in El Salvador is now converting scrap iron, from which a local foundry provides replacement parts for industrial machinery, agricultural implements and automobiles.

The shipping shortage occasioned by the war, coupled with the enforcement of defense priorities in the United States, has made it difficult for some Central American importers to get the goods they require. The few local factories turning out heavy goods—such as Costa Rica's bus bodies, railroad coaches and electric stoves—are not equipped to provide motor trucks, harvesting machinery, Diesel engines, refrigerators and other complicated manufactures. Some establishments producing smaller articles from domestic raw materials, however, are well geared to the emergency situation. An outstanding example is the henequen bag factory at San Salvador, which now provides practically all the bags needed by the domestic coffee industry and exports some to Costa Rica, Honduras and Guatemala. Guatemala, in turn, exports cement to El Salvador. Costa Rica has planned a canning factory for tropical fruits, and Panama a coconut processing plant to turn out copra for edible oil. Despite the increased emphasis on domestic commerce, however, the nature of Central American resources indicates that the region will probably always remain largely dependent on its foreign trade.

39. For an extended discussion of the industrial needs of Central America, see Jorge Acuña, "Industrialización Racional de Centro America-Panamá," *La Prensa* (New York), July 25, August 1, 8, 1940; W. W. Cumberland, *Nicaragua: An Economic and Financial Survey* (Washington, Government Printing Office, 1928), pp. 44-45.

FOREIGN TRADE OF CENTRAL AMERICA

The outbreak of war in Europe, by cutting off normal export markets for large quantities of coffee, threatened to impose serious economic and social disturbances on several of the Central American countries. Most of the large coffee manufacturers in the United States require a constant source of supply in great bulk; hence, they have generally imported Brazilian and Colombian coffee, the taste of which is now preferred by the average United States consumer. Great Britain, on the other hand, uses relatively little coffee, and for over a hundred years has preferred the high-grade Costa Rican "bean." Britain customarily purchases the greater part of its coffee in Costa Rica, where it is by far the best customer.[40] Similarly, until a few years ago Germany, the Scandinavian Countries, the Netherlands and France took a preponderant share of all coffee exported from the other Central American countries. Fortunately for the economic structure of the region, United States coffee imports from Central America have steadily increased during the last decade, and at the outbreak of war in September 1939 this country was absorbing over half the coffee shipped from each of the four important producing countries except Costa Rica.

UNITED STATES COFFEE IMPORTS FROM CENTRAL AMERICA[1]
in thousands of pounds

Country	*1932*	*1939*[2]
El Salvador	11,324	79,154
Guatemala	27,198	56,368
Nicaragua	809	22,781
Costa Rica	7,540	10,574
Honduras	1,323	819

1. Source: U.S. Department of Commerce, Bureau of Foreign and Domestic Commerce, "Foodstuffs Trade with Latin America," *Trade Promotion Series*, No. 214 (Washington, Government Printing Office, 1941), p. 10.
2. Preliminary.

As a result of hostilities abroad and the consequent loss of European markets, coffee surpluses accumulated rapidly in the producing countries; prices declined to record low levels and the Central American republics lost purchasing power for the increased volume of goods and services which they needed from the United States. With the exception of Panama, which is not a regular coffee-exporting country, each of these republics participated in the Inter-American Coffee Agreement of November 28, 1940 (effective April 15, 1941)—concluded between the United States and the 14 leading coffee-producing countries of this hemisphere. This agreement, the first of a projected series of multilateral arrangements to promote better marketing of important staple commodities,[41] prorated

40. "Great Britain's Coffee Imports," *The South American Journal*, November 30, 1940, pp. 337-38.

41. Work is now under way on an inter-American cacao agreement similar to that negotiated for coffee. Henry Chalmers,

the United States market by quotas among the important coffee-exporting countries of Latin America. Since the United States buys almost 50 per cent of all coffee entering world trade, the arrangement was hailed as an effective means of bolstering Central America's foreign exchange during the war period. The agreement has assured Central America of a paying market for its leading export commodity; and at the same time it has prevented competition and thus kept prices high.[42]

Emergency steps were not required in the case of bananas, as the United States normally takes about 95 per cent of Central American banana exports, and the loss of other markets created no serious difficulties. An increasingly serious problem is presented, however, by the shipping shortages, which may cause severe economic dislocations in Central America before the war is over. Owing to the lack of available shipping space, coffee producers in Central America have complained that they cannot move their crops, even though the prices are high.[43] Bananas have been exported fairly regularly up to the present time, because the large United States fruit companies operate their own ships; it is feared, however, that the government may eventually commandeer these vessels, as during the World War.

The dominant position of the United States in Central America's trade, particularly as a market for Central American goods, makes the commercial policy of this country a matter of vital concern to the six republics. In 1939 the United States provided almost 60 per cent of their total imports, and took 70 per cent of all the goods they sold. During the war these percentages have been substantially increased.[44] Since 85 per cent of Central America's exports consist of tropical agricultural products which do not compete with United States goods, while this country provides Central America with its needed heavy industrial products at prices kept reasonably low through short-haul shipping costs, trade between the two areas has not been hampered by burdensome tariff barriers.[45] The United States has concluded trade treaties with all of the Central American governments except Panama, which has made no conventional reductions in its tariff rates since it became an independent state in 1903.[46] In all of these agreements, the chief effect of United States concessions has been to bind existing non-dutiable items on the free list,[47] thus assuring the Central American countries a free market for their leading export items as long as the treaties remain in force.

While the United States has become an ever more decisive factor in the economy of Central America, European and Asiatic countries have contributed comparatively little to Central American trade as a whole. In general, they have provided neither a constant market nor a reliable source of supply. Besides the United States, the chief traders with Central America have been Germany, the United Kingdom, France, Italy and Japan. Central American exports to these markets declined steadily in the last decade before the war—except for exports to Japan, which purchases very little from the six republics. France, Italy and Japan together accounted for less than 1 per cent of the value of Central American exports in 1939. The same three countries provided 6.7 per cent of Central American imports, but only Japan registered an increase over its percentage for 1929—and even its trade showed a marked decline for the three-year period preceding the war. Germany's sales to Central America also declined during the years 1936-1939, although at the outbreak of war they still indicated more than a 50 per cent gain over their figure for 1929. British exports to Central America suffered the greatest losses during the decade under review, but their relative position has improved during the two years of naval warfare, when Central American trade with the Europen continent has shrunk to neligible amounts.

Trade of the Central American countries with one another has never attained the proportions which the region's resources warrant, although a

"Impact of the War Upon the Trade Policies of Foreign Countries," *International Reference Service*, No. 6 (Washington, U.S. Department of Commerce, March 1941), p. 10.

42. *American Import & Export Bulletin*, May 1941, pp. 214-15; J. B. Gibbs, "The Inter-American Coffee Agreement," *Foreign Agriculture*, April 1941, pp. 165-71. Under the agreement, Central America's established share of United States imports is 205,027,800 pounds, or 10 per cent of the total. In June 1941 the basic quotas were temporarily increased by 5 per cent and in August by 20 per cent.

43. All quota coffee has been moved to the United States, but shipping space available for non-quota coffee has been inadequate.

44. In 1940 and the first quarter of 1941, for example, the United States took 95 per cent of Nicaragua's exports, and provided 85 per cent of its imports, as compared with 77.5 per cent and 68.4 per cent in 1939. For detailed 1940 trade statistics of the Central American countries, see Pan American Union, "Annual Economic Survey of Latin America, 1940," *Commercial Pan America*, April-June 1941.

45. The principal duty-free United States imports from Latin America include coffee, bananas, cacao, and cabinet woods—all leading products of Central America. U.S. Tariff Commission, *The Foreign Trade of Latin America*, Part I: "Trade of Latin America with the World and with the United States" (Washington, 1940), p. 89.

46. U.S. Tariff Commission, *The Foreign Trade of Latin America*, Part II, Sec. 16, cited, p. 11. Certain provisions of the trade agreement with Nicaragua were nullified by mutual consent on March 10, 1938 in order to enable Nicaragua to increase its conversion rate between the paper and gold córdoba.

47. The five trade treaties are published in U.S., *Executive Agreement Series*, Nos. 86, 92, 95, 101, 102 (Washington, Government Printing Office, 1936-37).

fuller commercial interchange among the republics would give them all greater security against sudden disturbances of their overseas markets. The chief deterrent to trade among the republics—as within the republics—is the lack of adequate transportation facilities. There are few navigable waterways in Central America, and geographic barriers make the construction of land routes both difficult and expensive. The large fruit companies ship bananas to port on their own narrow-gauge railways, but there is only one noteworthy international railway in Central America, operating between Guatemala and El Salvador. Although many projects for railway construction have appeared, it is unlikely that an extensive network of railroads will be built unless the basic character of Central American economy changes. In the large agricultural industries, freight cartage is predominantly seasonal and involves a one-way haul from producing areas to seaports; and the smaller branches of production do not afford sufficient volume of freight to support a railroad.

These obstacles could be overcome by building a good system of roads for truck hauling. Each of

DIRECTION OF FOREIGN TRADE OF CENTRAL AMERICAN REPUBLICS[1]
(Values in thousands of United States dollars)

	1929				1936				1939[2]			
	EXPORTS (from Cent. Am.)		IMPORTS (to Cent. Am.)		EXPORTS (from Cent. Am.)		IMPORTS (to Cent. Am.)		EXPORTS (from Cent. Am.)		IMPORTS (to Cent. Am.)	
	value	*per cent*	*value*	*per cent*	*value*	*per cent*	*value*	*per cent*	*value*	*per cent*	*value*	*per cent*
Guatemala												
United States	11,400	45.7	13,540	55.4	8,955	59.6	4,877	42.4	12,003	70.0	8,332	54.5
Germany	9,928	39.8	3,364	13.7	2,792	18.5	3,568	31.0	1,948	11.5	4,129	27.0
United Kingdom	156	0.6	2,305	9.4	345	2.3	1,051	9.1	65	0.4	595	3.9
All Countries	24,928	100.0	24,459	100.0	15,106	100.0	11,512	100.0	16,985	100.0	15,296	100.0
El Salvador												
United States	3,902	21.5	9,083	51.6	5,801	57.5	3,256	38.6	7,627	59.9	4,688	53.0
Germany	5,766	31.8	1,511	8.6	1,440	14.3	2,813	33.4	1,141	8.9	1,548	17.5
United Kingdom	211	1.2	2,549	14.5	92	0.9	914	10.8	23	0.2	608	6.9
All Countries	18,143	100.0	17,592	100.0	10,098	100.0	8,435	100.0	12,739	100.0	8,850	100.0
Honduras[3]												
United States	18,273	74.4	11,563	77.8	7,519	81.6	5,796	66.5	8,949	90.7	6,333	65.3
Germany	2,947	12.0	632	4.3	192	2.1	545	6.3	191	1.9	1,103	11.4
United Kingdom	1,979	8.1	838	5.6	525	5.7	303	3.5	180	1.8	295	3.0
All Countries	24,569	100.0	14,861	100.0	9,215	100.0	8,723	100.0	9,867	100.0	9,703	100.0
Nicaragua												
United States	5,754	52.9	7,390	62.6	2,505	53.9	2,580	46.2	6,432	77.5	4,352	68.4
Germany	1,293	11.9	1,086	9.2	743	16.0	1,337	24.0	906	10.9	777	12.2
United Kingdom	399	3.7	1,276	10.8	84	1.8	697	12.5	104	1.3	333	5.2
All Countries	10,873	100.0	11,797	100.0	4,648	100.0	5,580	100.0	8,301	100.0	6,365	100.0
Costa Rica												
United States	4,818	30.6	9,682	48.0	3,681	44.3	3,663	43.6	4,143	45.6	9,925	58.8
Germany	1,605	10.2	3,532	17.5	1,355	16.3	1,982	23.6	2,279	25.1	2,982	17.7
United Kingdom	8,438	53.6	2,554	12.7	2,164	26.0	611	7.3	1,540	16.9	759	4.5
All Countries	15,753	100.0	20,164	100.0	8,309	100.0	8,397	100.0	9,086	100.0	16,885	100.0
Panama												
United States	3,902	94.2	13,154	68.2	3,599	90.1	9,778	51.5	2,991	85.8	12,752	58.8
Germany	45	1.1	1,029	5.3	40	1.0	824	4.3	140	4.0	1,620	7.9
United Kingdom	54	1.3	1,636	8.5	55	1.4	1,166	6.1	45	1.3	971	4.7
All Countries	4,144	100.0	19,278	100.0	3,994	100.0	18,990	100.0	3,487	100.0	20,464	100.0
All Central America												
United States	48,049	48.8	64,412	59.6	32,060	62.4	29,950	48.6	42,145	69.7	45,547	58.7
Germany	21,584	21.9	11,154	10.3	6,562	12.8	11,069	18.0	6,605	10.9	12,159	15.7
United Kingdom	11,237	11.4	11,158	10.3	3,265	6.4	4,742	7.7	1,957	3.2	3,558	4.6
All Countries	98,500	100.0	108,151	100.0	51,370	100.0	61,637	100.0	60,465	100.0	77,563	100.0

1. Sources: U.S. Tariff Commission, U.S. Department of Commerce, and the Pan American Union.
2. Preliminary statistics for Panama.
3. Honduran statistics for 1929 and 1936 are for the fiscal years ending July 30; for 1939, the fiscal year ending June 30.

the Central American governments is now sponsoring a road construction program which will expedite the transaction of domestic commerce. Very few of the roads now being built, however, will connect at national boundaries. The Inter-American Highway, backed by United States funds, is to be the first land link to connect the six republics. About half of the 1,550-mile section of the highway in Central America is now finished, and the Guatemalan and Salvadoran stretches are complete. This highway will eventually provide a trunk line for general transport and a common distribution system extending throughout Central America. It will stimulate trade in the region, and make possible the development of remote areas with considerable economic promise.

In the absence of suitable land transportation, a remarkable system of commercial aviation has been developed in Central America during the last twelve years. In 1929 Pan American Airways inaugurated its passenger and transport service between the United States and Panama, and its success inspired the creation of TACA (Transportes Aéreos Centro-Americanos) in 1931-32. This Honduran airline, which has developed an extensive network of small landing fields throughout Central America, is now the largest air freight transportation system in the world. The very short distances between airports have made it possible to carry unusually heavy loads of mining machinery and other bulky items to areas previously inaccessible. TACA originated the "flying tanker" to convey large quantities of fuel oil needed to operate the machinery at inland mines, and until January 1941 this company carried all of Guatemala's chicle exports from the Petén jungles to Puerto Barrios,[48] the Caribbean port through which chicle is shipped. At present Pan American planes bring about half of Nicaragua's gold exports to the United States.

THE UNITED STATES AND CENTRAL AMERICA

Since Central America occupies a position of great strategic value for defense of the Caribbean Area, the stability of its friendly governments must be assured by economic as well as political and military cooperation. The United States will also benefit directly from the economic growth of Central America. Although the region's small population and low purchasing power have kept it from becoming an important market for United States products, examination of its natural resources reveals Central America as a potential supplier of essential United States imports. And any rise in its prosperity or standard of living, as a result of profitable exports of Central American products, would create a better market for at least certain classes of United States exports—such as agricultural implements, automotive equipment, spare parts for automobiles and trucks, gasoline and oil, and an endless variety of luxury goods.

The United States might profitably assist Central America in the commercial development of its tropical agricultural products, as the two areas are natural economic partners, and virtually none of their exports compete in world markets. Central America needs United States technical assistance and capital. In past decades the North American investor has hesitated to place his money in Central America because of its frequent revolutions, but today all of the Central American governments are stable and in most cases offer a lenient tax policy toward foreign holdings.

The commerce and internal development of Central America have been impeded by tariff barriers and divergent laws among the small national states of the region. Several earnest attempts to set up a Central American customs union have failed—the last one in 1930. Since direct taxation in Central America is generally low, government revenues are obtained from high customs duties, and the sudden removal of these duties would necessitate unpopular taxes. There seems to be no reason, however, why customs procedures should not be made uniform for all of the six republics. And since the volume of trade among the republics is small, each of them might grant free entry for agricultural products of any Central American country and for domestic manufactures of those products. The United States has indicated approval of this principle in its five trade treaties with the Central American governments.[49] The economic integration of the region would reinforce United States aid in developing Central America's resources and, by raising the general standard of living, would strengthen friendly countries in a strategic area vital to the United States.

48. Following the cancellation of TACA's franchise in Guatemala, its routes in that country were taken over by Aerovías de Guatemala, an affiliate of Pan American Airways. For an able discussion of the growth of freight aviation, see G. S. Roper, "TACA Makes History Over Central America," *The Inter-American Quarterly*, January 1941, pp. 36-51.

49. The United States recognizes as exceptions to most-favored-nation treatment any trade advantages, which one Central American country may accord singly to any other Central American country, or jointly to all the neighboring states through the formation of a customs union. See, for example, the agreement with Honduras: U.S., *Executive Agreement Series*, No. 86 (1936), p. 13.